

Exhibit 3

Redacted (Attorney Client Privilege)

From: Jessica Woelfel

Sent: Tuesday, April 6, 2021 7:04 PM

To: Support at Lone Star DR <keith@lonestardemandresponse.com>

Cc: Clint Zettle <Zettle@brocklegal.com>; Theodora Ward <DWard@ORMAT.COM>

Subject: RE: LSDR Request

Keith,

We have provided you the information we have in our possession, as you can see from the email string below. Moreover, we have already paid to ERCOT the imbalance sum incurred by LSDR in the amount of \$3,344,068.88.

The parties' agreement requires that LSDR reimburse Viridity for sums paid on LSDR's behalf. We have asked LSDR, pursuant to the terms of our contract, to provide Performance Assurance for the sums paid to ERCOT. You are refusing to do so in breach of the contract based on your statement that you first require a "proof of claim." Please advise where in the contract submission of a "proof of claim" is a prerequisite to satisfying the Performance Assurance requirement. As I'm sure Clint can advise you, no such prerequisite exists. We have provided you the information currently in our possession, and we expect Performance Assurance in the amount we have paid on LSDR's behalf.

The sums currently due are as follows:

Total Feb LSDR Imbalance Charges		
(PD)	\$	(3,344,068.88)
January LSDR Cash Received	\$	290,307.93
February LSDR Cash Received	\$	112,748.73
	\$	<u>(2,941,012.23)</u>

With respect to your claim that we are somehow extorting LSDR by seeking reimbursement of the sums paid to ERCOT, or are improperly keeping the net revenue in an illegal and

criminal money grab, you are simply wrong. We have paid on LSDR's behalf more than 3 million and are only asking LSDR to do what the contract provides with respect to providing Performance Assurance.

As a reminder of what the contract actually says, Section 12.14 states that "[i]f either Party determines in its reasonable discretion that the other Party's creditworthiness or ability to perform under this Agreement has become unsatisfactory due to a material adverse change in the financial conditions of the other Party, then that Party . . . may require Performance Assurance." Viridity—in its reasonable discretion—made that determination based on (i) your decision to transfer the bulk of your portfolio to PPM on February 1 without Viridity's consent, leaving Lone Star without operating assets sufficient to meet its performance and financial obligations, and (ii) Lone Star's continued refusal to meet its obligation under Section 3.4 of the EMA to pay "upon demand" the \$3.3 million share of the ERCOT imbalance charges due solely to Lone Star's RRS shortfall.

Next, 12.14 authorizes Viridity to demand Performance Assurance with written notice requesting that Lone Star provide such assurance. As you know, Viridity made that demand on multiple occasions, beginning on March 5, 2021, requesting Performance Assurance in an amount sufficient to cover ERCOT's imbalance charges assessed against Viridity in the amount of \$4.5 million, \$3.3 million of which is solely the result of Lone Star's failure to perform. Performance Assurance "shall mean cash, letter(s) of credit, corporate guarantees, or other security each in form and amount reasonably acceptable to" Viridity. We have continuously requested Performance Assurance since March 5, 2021, when Viridity requested Performance Assurance in the amount of \$2,941,018.16 in the form of cash, netting of market revenues otherwise due to Lone Star up to the amount of the imbalance charges, or a letter credit in a form acceptable to Viridity.

Finally, Section 12.14 mandates the Lone Star "shall have three (3) days to provide such Performance Assurance to the Requesting Party." As of today, March 8, 2021, Lone Star has still not provided such Performance Assurance. As a result of your failure to provide the required Performance Assurance, Viridity will continue to net any market revenues as Performance Assurance until such time as Lone Star provides such assurance in the form of cash or a letter of credit, and we advised you of this weeks ago.

Apologies if you are "pissed off" by my emails, but as I am sure you can imagine, when we pay more than three million dollars on a client's behalf, we expect them to reimburse us per the contract or provide Performance Assurance of repayment per the contract terms.

Happy to discuss via phone if you would like.

Regards,

Jessica Woelfel

From: Support at Lone Star DR <keith@lonestardemandresponse.com>

Sent: Tuesday, April 6, 2021 7:24 AM

To: Jessica Woelfel <jwoelfel@ORMAT.COM>; Clint Zettle <Zettle@brocklegal.com>

Cc: Theodora Ward <DWard@ORMAT.COM>; Doron Blachar <dBlachar@ORMAT.COM>

Subject: RE: LSDR Request

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Jessica:

- There is no delay or obfuscation by Clint, and frankly your email tone is now pissing me off.

I want an immediate conference call with your supervisor, to resolve this matter.

Refusal to have this call will be considered a third default of the EMA by VESI by LSDR.

I suggest you review the EMA contract language for remedies I can take against VESI for EMA default.

1. VESI refuses to provide the ERCOT-substantiated documentation, **to address the Proof of Claim we have reasonable asked for.**
2. VESI / ORMAT legal behavior is no less than recognizable extortion on VESI's part against LSDR.
3. Additionally, it is my opinion that VESI intends to keep ALL of the net revenue from January, February, and March 2021 RRS / LR, and Spring 2021 ERS period in an illegal and criminal money grab.

Clint will address the rest of this, but until I receive PROOF OF CLAIMS on ERCOT letterhead as I have illustrated, and in the manner we have reasonably requested, the provided information does not support legitimate proof of claim in any legal sense, nor will we respond

KV

Keith M Vauquelin



Lone Star Demand Response, LLC, observes and enforces MNDAs protocols in all communications, and asks the same of email recipients. Thank you.

Avast Anti Virus Logo



From: Jessica Woelfel <jwoelfel@ORMAT.COM>
Sent: Monday, April 5, 2021 22:40
To: Clint Zettle <Zettle@brocklegal.com>
Cc: Theodora Ward <DWard@ORMAT.COM>; Support at Lone Star DR
<keith@lonestardemandresponse.com>
Subject: RE: LSDR Request

Clint,

Please see attached letter. With respect to your below request, we have provided all information in our possession to you multiple times in multiple formats. It is clear that you simply keep asking for the same thing in different form over and over to avoid posting the performance assurance demanded – and your demands for documents in the form you are requesting is not required under the contract. You are welcome to take the info we have provided and sort it in whatever manner you prefer, but that is not our obligation.

The contract requires that LSDR post Performance Assurance, and there is no basis to avoid posting such Performance Assurance under the contract. We expect this to be posted no later than this Friday or we will be forced to proceed with enforcing our rights via other mechanisms.

Best regards,



Jessica Woelfel
Interim General Counsel

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6140 Plumas St. Reno, NV 89519

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From: Clint Zettle <Zettle@brocklegal.com>
Sent: Wednesday, March 31, 2021 10:13 AM
To: Jessica Woelfel <jwoelfel@ORMAT.COM>
Cc: Theodora Ward <DWard@ORMAT.COM>; Support at Lone Star DR
<keith@lonestardemandresponse.com>
Subject: RE: LSDR Request

CAUTION: External Sender, Do not click on links or open attachments unless you recognize the sender.

Hi, Jessica:

Thank you for providing the information, I understand that it takes time and effort to compile. However, we again believe that it is insufficient as it does not illustrate a clear, line-by-line explanation of how the claimed imbalance charges for February 2021 were calculated.

Please provide the following documentation (on ERCOT-approved documents for submission as would be standard practice for any of the following reports / scheduling data sheets) to which LSDR is entitled to under its Energy Management Agreement with VESI as soon as possible:

1. INDIVIDUAL Day Ahead Market Settlement Statement by calendar date, from calendar date 2/14/21 to 2/19/21; for EACH calendar day on ERCOT documentation VESI provides to ERCOT

Example:

- a. DAM 02/14/21 individual calendar date submission / awards to and from ERCOT, on ERCOT documentation
- b. DAM 02/15/21 individual calendar date submission / awards to and from ERCOT, on ERCOT documentation
- c. DAM 02/16/21 individual calendar date submission / awards to and from ERCOT, on ERCOT documentation
- d. DAM 02/17/21 individual calendar date submission / awards to and from ERCOT, on ERCOT documentation
- e. DAM 02/18/21 individual calendar date submission / awards to and from ERCOT, on ERCOT documentation

2. INDIVIDUAL by calendar date ERCOT Settlement Invoice that covers Operating Day(s) from 02/14/21 through 02/19/21

Example:

As illustrated in 1), a) through e) above.

3. INDIVIDUAL by calendar date ERCOT Real Time Market Settlement Statement from 02/14/21 to 02/19/21

Example:

As illustrated in 1), a) through e) above.

4. INDIVIDUAL ERCOT Day Ahead Market CODE Extract for Operating Days 02/14/21 to 02/19/21

Example:

As illustrated in 1), a) through e) above.

5. INDIVIDUAL ERCOT Real Time Market CODE Extract for Operating Days 02/14/21 to 02/19/21

Example:

As illustrated in 1), a) through e) above.

6. INDIVIDUAL Copy of all Bilateral Schedules Accepted at ERCOT (with ERCOT acknowledgement) from 02/14/21 to 02/19/21

Example:

As illustrated in 1), a) through e) above.

7. ERCOT Statement reflecting how the imbalance penalty is calculated, from starting value, calculations, subsequent deductions, and end result difference

-

LSDR cannot consider VESI's claims until it has been provided with irrefutable proof of said claim which we believe the above-requested documentation represents.

Thank you,

CLINTON S. ZETTL

BROCKLEGAL, PLLC

4325 Windsor Centre Trail, Suite 100

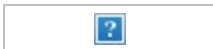
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From: Jessica Woelfel [<mailto:jwoelfel@ORMAT.COM>]

Sent: Monday, March 29, 2021 1:45 PM

To: Clint Zettle <Zettle@brocklegal.com>

Cc: Theodora Ward <DWard@ORMAT.COM>

Subject: LSDR Request

Clint,

Please find attached the documentation you requested, along with descriptions of each, in red below. As you'll find in the below explanation regarding the CODE Extract data, which includes confidential information with respect to our other customers, this component of your request takes time to compile. The remainder of your request was either provided previously, or will be provided once Viridity receives it from ERCOT. As such, please provide the demanded \$2.9 million performance assurance for the imbalance charges immediately, as nothing in our Agreement precludes LSDR from providing performance assurance while waiting on data from ERCOT.

- Day Ahead Market Settlement Statement for each operating day from 2/14/21 to 2/19/21;
 - We have received a copy of the Settlement Invoice that covers Operating Days 2/19/21 to 2/21/21 but not the individual statements for each day. **As you note, we provided this information previously. There were no DAM awards for any LSDR resource from 2/14 through 2/19.**
- Real Time Market Settlement Statements for each operating day from 2/14/21 to 2/19/21;
 - We have received a copy of the Settlement Invoice that covers Operating Day(s) 2/15/21 to 2/18/21 but not Settlement Statements for each Operating Day from 2/14/21 to 2/19/21. **As you note, we provided this information previously. Attached is that information, separated by day as you request. There were no LSDR RT ancillary service charges for the 16th through the 19th, as LSDR was not scheduled on those days.**
- Day Ahead Market CODE Extract for Operating Days 2/14/21 to 2/19/21; **As you are aware, this request relates to raw data, which includes data on all of our customers. We are attaching a breakdown that shows LSDR's information only (see explanation below).**
- Real Time Market CODE Extract for Operating Days 2/14/21 to 2/19/21; and **As you are aware, this request relates to raw data, which includes data on all of our customers. We are attaching a breakdown that shows LSDR's information only (see explanation below).**
- Copy of all Bilateral Schedules Accepted at ERCOT from 2/14/21 to 2/19/21. **We have requested this information from ERCOT and will share it with you when we are in receipt.**

The following is an explanation of the "Imbalance Shadow Settlement" attachments in response to your request for CODE Extract data:

- Table 1 - Unadjusted Obligation: This table shows the MW obligations per LSDR resource for each 15 minute interval derived from the DAM Awards and Bilateral self-schedule.
- Table 2 – Adjusted Obligation: This table shows the MW obligation per LSDR resource for each interval adjusted down to meet the ERCOT calculated Real Time Ancillary Service Responsibility (RTASRESP). The adjusted MW amount is calculated by allocating the difference between the RTASRESP and total unadjusted obligation (DAM Awards + Bilateral) on a proportional basis. I am still in discussion with ERCOT on exactly how and why our RTASRESP is being calculated differently from our total DAM Awards + Bilateral schedule. According to the ERCOT Nodal Protocols the RTASRESP should equal the sum of our DAM awards and self-schedule.
- Table 3 – Capacity: This table shows the available capacity per resource based on each resource's RT Non-Controllable Load Resource Net Power Consumption (RTNCLRNPCR).
- Table 4 – Imbalance: This table shows the RT AS Imbalance per resource based on the difference between their adjusted obligation and their available capacity.
- Table 5 – Imbalance Charge Allocation: Shows the imbalance charge calculated for each resource. Which is calculated as the Real-Time price adders (RTRSVPOR and RTRDPP) multiplied by each resources RT AS Imbalance.

Best regards,



Jessica Woelfel
Interim General Counsel

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